

MEDIATION-ARBITRATION AWARD

JUN 11 1986

Before the Mediator-Arbitrator In the Matter of the Petition of SCHOOL DISTRICT OF MELROSE-MINDORO To Initiate Mediation-Arbitration Between Said Petitioner and MELROSE-MINDORO EDUCATION ASSOCIATION	WISCONSIN EMPLOYMENT RELATIONS COMMISSION Case 13 No. 34992 MED/ARB-3268 Decision No. 22998-A Mediator-Arbitrator Stanley H. Michelstetter II
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Appearances:

Karl L. Monson, Consultant, Appearing on behalf of the Employer.

James C. Bertram, Executive Director, Appearing on behalf of the Association.

MEDIATION-ARBITRATION AWARD

School District of Melrose-Mindoro, herein referred to as the, "Employer" having petitioned the Wisconsin Employment Relations Commission to initiate mediation-arbitration pursuant to Section 111.70 (4)(cm) 6 of the Municipal Employment Relations Act, involving certain of its employees and a unit represented by the Melrose-Mindoro Education Association, herein referred to as the "Association" and the Commission having appointed the Undersigned as mediator-arbitrator by order dated November 18, 1985, and mediation followed by hearing having been conducted February 26, 1986 in Mindoro, Wisconsin.^{1/} The parties each having filed post-hearing briefs and the Association having filed a reply brief without the Employer having made a filing thereof, the last of which was received on April 10, 1986.

ISSUES

The parties are in a 1984-87 collective bargaining agreement with a reopener. This matter relates to the 1985-86 school year. The parties final offers are identical except with respect to the salary schedule. The salary schedule proposed by the Employer is attached hereto is marked Appendix A, and the salary schedule proposed by the Association is attached hereto and marked Appendix B. The current schedule is attached hereto and marked Appendix C. To briefly summarize, the Employer adds \$975 to each cell of the prior schedule to arrive at its current schedule. The Association keeps the existing structure but increases the vertical and horizontal increments in addition to increasing the base. The Employer characterizes its total package proposal is 8.26% while it characterizes the Associations as 11.3%. The Association's costing would cost its total package increase at 12.2% while data would suggest that the Employer's final offer is 8.6%.

POSITIONS OF THE PARTIES

The employer takes the position that its proposed salary schedule more nearly meets the statutory criteria. It takes the position that its proposal is designed to put the money that it has to offer in the area of the salary schedule where employees are. It notes that of the 48 members of the staff one-half of the people are in the BA lane, and the secondary concentration of people are at step 13 of BA plus 12 (4 people) and step 13 of the MA (5 people). It notes that a total of 10 people are in the MA column. It argues that the interest and welfare of the public is supported by its position. While it does not deny that it has the ability to pay, it notes that 80% of its population and support for the school system comes from its agricultural economy. It notes that private employment in the area has experienced lay-

^{1/} The parties waived notice of intent to arbitrate. The parties also agreed that my tape recording of the hearing would be for my own notes, would not be available to either party and would be erased after the rendering of the award.

offs and wage cuts. It also takes the position that its proposal is more nearly supported by the cost-of-living. It also takes the position that its salary proposal is more nearly supported by comparisons to other professional staff in similar communities. It takes the position that the parties have historically used the Dairyland Athletic Conference as a comparison group which group it asserts is appropriate for comparison in this case. While it admits it has been somewhat below average in past years it notes that it has followed a policy of granting wage increases which have tended to improve the standing of Melrose-Mindoro compared to the average of other schools at the commonly used bench marks of comparison in salary schedules (BA base, BA 6th step, BA maximum, MA maximum, MA, MA 10th step and MA maximum and scheduled maximum). It also argues it has provided a comparable package of fringe benefits compared to other people in the Athletic Conference. It notes that there are only 4 voluntary settlements in the Athletic Conference for 1985-86, Alma, Chochrane, Gilmanton, and Osseo-Fairchild. It takes the position that the Association's proposal herein exceeds the average of those settlements at almost all of the bench mark positions. It takes the position that since Association exceeds the average, the Employer proposal ought to be adopted. It should be noted that it takes the position that the Chochrane-Fountain City settlement is the second year of a voluntary settlement and therefore should be given less weight. It apparently takes the view that the Osseo-Fairchild settlement, although in the Athletic Conference, should be given less weight because the district has a more urban character than Melrose-Mindoro. On this basis it concludes there are too few settlements in the area to be reliable and it therefore relies upon other settlements in the area in nonurban settings. The settlements which have occurred in the proximity are in Wisconsin Rapids, Altoona, Fall Creek, Mondovi, Durand, Pepin, Pittsville, Alma Center. Of these it excludes Wisconsin Rapids, Altoona, Fall Creek, and Mondovi as too urban. When compared to the remaining settlements, it conclude that its offer should be adopted.

The Association relies primarily on the comparison criteria to support its position. It takes the position that the parties both in this district and throughout the Dairyland Conference have historically used the Dairyland Conference as a comparison group without change. Conference should be used as the primary comparison in this area. Although the Association is satisfied that there are enough settlements in the Dairyland Conference area, it does provide a second comparability group of school districts settled for the 1985-86 school year which is based on size and geographic proximity. These are districts which are in the same size range as the Dairyland Athletic Conference and are within the same radius to the Melrose-Mindoro school district as the maximum radius of the Dairyland Athletic Conference. The Association argues that its distribution of money in the resulting salary schedule is far more comparable than that proposed by the Employer. It substantiates this with a historical comparison of the average of the conference at each of the bench marks to Melrose-Mindoro at the same bench marks. It also makes a similar comparison in its second comparable group. It also demonstrates this by evidence of the historical ratio comparisons at the various bench marks. It takes the position that while the Employer would argue that its proposal is "excessive" its proposal is necessary when considering the settlement pattern or past voluntary settlements of the parties. The Association takes the position that its use of a \$620 increment from BA to BA plus 12 and from MA and MA plus 12 is justified because some of the other districts do have disproportionate increments at various places in their schedule. It supports its use at disproportionate increased educational increments by the use of Association's Exhibits 34-38 showing that there has been a historical trend in the conferences increasing educational increments, and Associations exhibit 86-88 for the same conclusion in its group 2. It relies upon Association's exhibits 42 and 43 to demonstrate that all dairyland conference settlements include improvement in increments in excess of the Association's proposal herein. It takes the position that the Employer can afford its proposal, in part, because the Employer received increases in state aids and credits of \$283,143 for 1985-86. It also argues that career ear-

rnings will be substantially lower with the board's offer (6 of 13 with the Association and 8 of 13 with the boards in career BA. 10 of 13 with the Association and 11 of 13 with the Board in career BA earnings.) If the board's offer were adopted, it argues the career BA rank would fall to that of 1981-82 in career BA and fall under both offer in career BA. Finally, it argues that the earnings is already behind comparable districts in benefits and, thus, total compensation. It denies extent of urbanization is relevant because Altoona and Fall Creek located in the Eau Claire area are next to Augusta, Osseo-Fair Child and Eleva-Strum are contiguous with them and not particularly highly paid in the conference.

DISCUSSION

Pursuant to Section 111.70 (4)(cm), 3/ Wis. Stats., I am to select the final offer, without change, of the party which I conclude most nearly meets the statutory criteria. The statutory criteria specified in paragraph 7 are:

- "...
7. Factors considered. In making any decision under the arbitration procedures authorized by this subsection, the mediator-arbitrator shall give weight to the following factors:
- a. The lawful authority of the municipal employer.
 - b. Stipulations of the parties.
 - c. The interests and welfare of the public and the financial ability of the unit of government to meet the costs of any proposed settlement.
 - d. Comparison of wages, hours and conditions of employment of the municipal employes involved in the arbitration proceedings with the wages, hours and conditions of employment of other employes generally in public employment in the same community and in comparable communities.
 - e. The average consumer prices for goods and services, commonly known as the cost-of-living.
 - f. The overall compensation presently received by the municipal employes, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
 - g. Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.
 - h. Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

The weight to be assigned the various factors is left to the mediator-arbitrator.

In this case the factors which are arguably applicable are sub, c, d, e, f.

Cost of Living

The Employer demonstrated that the CPI-W national average changed 3.8% from January, 1984 to January, 1985. The total package proposed by the Employer is 8.26% and that of the Association is 11.83%. The Employer's offer is clearly adequate to adjust for inflation. This factor favors the Employer.

Comparisons

Private Sector

The Employer has adduced some evidence indicating that private sector employment in the area is in a wage cut position. Further there have been substantial lay-offs. Most of the private sector employment is in the agri-business area. These comparisons tend to favor the Employer.

Teacher Comparisons

Both parties relied on the Dairyland Athletic Conference con-

sisting of Alma, Alma Center, Augusta, Blair, Cochrane-Fountain City, Eleva, Strum, Gilmanton, Independence, Osseo-Fairchild, Taylor, Whitehall and Melrose-Mindoro. For 1984-85 Melrose-Mindoro was midrange among its comparable school districts. The comparisons are as follows:

(BA-MIN 84-85)			(MA-MIN 84-85)		
Rank	School Name	Value	Rank	School Name	Value
1	Osseo	\$15,050	1	Alma	\$16,305
2	Alma	\$14,780	2	Augusta	\$16,099
3	Whitehall	\$14,560	3	Independence	\$16,027
4	Independence	\$14,525	4	Osseo	\$15,825
5	Augusta	\$14,272	5	Whitehall	\$15,782
6	Melrose	\$14,275	6	Melrose	\$15,504
7	Alma Center	\$14,225	7	Blair	\$15,440
8	Blair	\$14,200	8	Alma Center	\$15,355
9	Cochrane-F.C.	\$14,100	9	Eleva Strum	\$15,311
10	Taylor	\$13,925	10	Taylor	\$15,116
11	Eleva Strum	\$13,811	11	Cochrane-F.C.	\$15,000
12	Gilmanton	\$13,735	12	Gilmanton	\$14,725

Ranking (BA 7th 84-85)			Ranking (MA 10th 84-85)		
Rank	School Name	Value	Rank	School Name	Value
1	Osseo	\$18,662	1	Augusta	\$21,900
2	Whitehall	\$18,020	2	Independence	\$21,592
3	Independence	\$17,864	3	Osseo	\$21,522
4	Augusta	\$17,825	4	Whitehall	\$21,445
5	Alma	\$17,660	5	Alma	\$20,940
6	Melrose	\$17,154	6	Eleva Strum	\$20,819
7	Eleva Strum	\$17,123	7	Melrose	\$20,084
8	Blair	\$17,122	8	Blair	\$20,043
9	Alma Center	\$16,655	9	Cochrane-F.C.	\$19,500
10	Cochrane-F.C.	\$16,650	10	Alma Center	\$19,450
11	Taylor	\$16,392	11	Taylor	\$18,815
12	Gilmanton	\$16,185	12	Gilmanton	\$16,415

Ranking (BA-Max 84-85)			Ranking (Ma-Max 84-85)		
Rank	School Name	Value	Rank	School Name	Value
1	Whitehall	\$21,020	1	Osseo	\$24,687
2	Eleva Strum	\$20,987	2	Augusta	\$24,479
3	Melrose	\$20,238	3	Eleva Strum	\$23,879
4	Blair	\$19,997	4	Blair	\$23,625
5	Independence	\$19,700	5	Independence	\$23,596
6	Alma	\$19,580	6	Alma	\$23,515
7	Osseo	\$19,264	7	Cochrane-F.C.	\$23,000
8	Cochrane-F.C.	\$19,200	8	Whitehall	\$22,759
9	Gilmanton	\$19,055	9	Melrose	\$22,256
10	Augusta	\$18,975	10	Taylor	\$21,281
11	Alma Center	\$18,680	11	Alma Center	\$20,815
12	Taylor	\$17,625	12	Gilmanton	\$20,055

Ranking (Sched Max 84-85)		
Rank	School Name	Value
1	Osseo	\$25,680
2	Eleva Strum	\$25,439
3	Augusta	\$25,349
4	Cochrane-F.C.	\$24,260
5	Independence	\$24,097
6	Alma	\$24,035
7	Blair	\$23,934
8	Whitehall	\$23,573
9	Melrose	\$23,004
10	Taylor	\$22,114
11	Alma Center	\$21,505
12	Gilmanton	\$20,305

Both parties rely heavily on comparisons to the average percentage and dollar increases at certain benchmark parts of the salary schedule. They differ as to the group to be used. The Employer uses first the schools in the conference which have settled (maybe excluding Osseo-Fairchild) and, alternatively, farm economy districts in the area which have settled; Durand, Mondovi, Pepin and Pittsville. The Association uses the settled conference schools as well and a second comparability group resulting in the inclusion of La Farge, North Crawford, Seneca, Fall Creek, Cochrane-Fountain City, Altoona, Durand, Alma, Mondovi, Gilmanton, Pittsville and Osseo-Fairchild. The Association's offer is closely comparable to the average dollar increases in this latter group. The following is a comparison to averages in both Employer offered groups, and state wide averages.

	Emp.	Emp.	Ass'n.	Ass'n.	Conf.	Conf.	rural	rural
	\$	%	\$	%	\$	%	\$	%
BA Base	975	6.8	1,175	8.2	1,047	7.35	989	6.9
BA Step 7	975	5.9	1,346	7.9	1,375	8.0	1,240	6.9
BA Max.	975	4.8	1,512	7.5	1,545	8.1	1,412	6.6
MA Base	975	6.3	1,496	9.7	1,235	8.1	1,228	7.9
MA Step 10	975	4.9	1,926	9.6	1,715	8.7	1,636	7.7
MA Max	975	4.4	2,114	9.5	1,910	8.5	1,804	7.3
solid MAX.	975	4.2	2,556	11.1	1,964	8.4	1,952	7.8

	State wide \$	State wide %
BA Base	1,137	7.4
BA Step 7	1,486	7.6
BA Max.	1,578	6.7
MA Base	1,324	7.8
MA Step 10	1,905	8.0
MA Max	1,858	7.3
solid MAX.	2,054	6.9

There are 48 FTE's in the unit of which 6 are at or near the BA max and 4 are at the BA + 12 Max. 8 are in the early stages of the BA lane and an other 11 are at other parts of the MA lane, 5 are at the MA Max. Even taking into consideration disproportionate increases proposed by the Association at certain location's of the schedule, the offer of the Association is by far closer to these averages. This is particularly true in the rural districts selected by the Employer. The comparison factor favors the Association.

Interest and Welfare of the Public

There is no dispute in this case that the Employer has the financial ability to meet the proposal of the Association. The Employer does allege that the offer of the Association would be burdensome to the public. There are two, often conflicting, interests of the public employer: 1. getting the most education value for the tax dollar and 2. attracting, retaining, and encouraging qualified staff. The balance between these two interests depends on the facts and circumstances of this case.

80% of this district is engaged in farming. There is a terrible crisis in the farm sector over reduced prices and increased costs of which property taxes are one. This crisis is national and affects Melrose-Mindoro heavily because of its dependence on agriculture. However, in this case the Employer produced evidence of a fair number of settlements in other nearby rural districts. Citizens in these districts share the same fundamental agricultural problem as this district. Yet, on the average these districts had settlements nearly halfway between the two, but clearly closer to the Association.

In this case the final offer of the Employer is 8.26% total package, while that of the Association is 11.83%. The data is insufficient to make comparisons on this basis. Based on my experience, compared this way, the public interest may be served by the Employer's offer. I cannot conclude the public interest is better served by either party's final offer.

Total Comparison

The Employer is average or slightly above with respect to fringe benefits. This factor favors the Employer very slightly.

WEIGHT

Mediator-Arbitrators are required to select the final offer of the party which most nearly meets the statutory criteria. The purpose is to encourage parties to settle when they seek to be the offer closest to the criteria. In this case the parties chose to have final offers varying widely from that mark. It is, therefore, my sad duty to select the better of two not particularly desirable offers. In this case the community of interest between Melrose-Mindoro and other similar rural areas bears the greatest weight and, therefore, I conclude the final offer of the Association is to be preferred.

AWARD

That the final offer of the Association be included in the parties' contract.

Dated at Milwaukee, Wisconsin this 10th day of June, 1986.


Stanley H. Michelstetter II
Mediator-Arbitrator

OFFER OF THE EMPLOYER APPENDIX A

Appendix "B"

Melrose-Mindoro Salary Schedule - 1985-86

Level	BA	BA +12	BA +18	BA +24	MA	MA +12	MA +24
0	15,250	15,557	15,865	16,172	16,479	16,787	17,094
1	15,721	16,034	16,346	16,659	16,971	17,284	17,596
2	16,193	16,510	16,828	17,145	17,463	17,781	18,098
3	16,664	16,987	17,309	17,632	17,955	18,277	18,600
4	17,135	17,463	17,791	18,119	18,446	18,774	19,102
5	17,632	17,965	18,298	18,631	18,964	19,297	19,630
6	18,129	18,467	18,805	19,143	19,481	19,819	20,157
7	18,626	18,969	19,312	19,655	19,999	20,342	20,685
8	19,123	19,471	19,819	20,168	20,516	20,864	21,213
9	19,645	19,999	20,352	20,705	21,059	21,412	21,766
10	20,168	20,526	20,885	21,243	21,602	21,960	22,319
11	20,690	21,054	21,417	21,781	22,145	22,509	22,872
12	21,213	21,581	21,950	22,319	22,688	23,057	23,426
13		22,109	22,483	22,857	23,231	23,605	23,979

K of M
10/16/85

APPENDIX B

MMAEA PROPOSAL
Final Offer
Oct. 9, 1985

*Ann. 3d
Final Offer
11:12 p.m.
10/9/85*

ARTICLE XIII - Fringe Benefits

BOARD EXHIBIT NO. 3

D. Change 5% to 6%.
Effective Jan. 1, 1986.

APPENDIX C - Pay for Extra Duties

Cross Country Coach 5.6%
Head Girls' Volleyball Coach 9%
Assistant Girls' Volleyball Coach 5.6%

MMAEA	Steps	BA	+12	+18	+24	MA	+12	+24
85.86	0	15450	16070	16380	16690	17000	17620	17930
PROPOSED	1	15950	16580	16900	17220	17540	18170	18490
SCHEDULE	2	16450	17090	17420	17750	18080	18720	19050
DATE-----	3	16950	17600	17940	18280	18620	19270	19630
100985	4	17450	18110	18460	18810	19160	19820	20190
=====	5	17975	18645	19005	19365	19725	20395	20775
	6	18500	19180	19550	19920	20290	20970	21340
	7	19025	19715	20095	20475	20855	21545	21925
	8	19550	20250	20640	21030	21420	22120	22510
	9	20100	20810	21210	21610	22010	22720	23130
	10	20650	21370	21780	22190	22600	23320	23740
	11	21200	21930	22350	22770	23190	23920	24340
	12	21750	22490	22920	23350	23780	24520	24950
	13		23050	23490	23930	24370	25120	25560

6 credits every 5 years

APPENDIX C
1984-85

ASSOCIATION EXHIBIT NO. 4

DATE	22586	BA	+12	+18	+24	MA	+12	+24
BASE	15450							
YEAR	85.86							
LANE INCREMENTS		---	620	310	310	310	620	310
STEP INCR.	1-4	500	510	520	530	540	550	560
" "	5-8	525	535	545	555	565	575	585
" "	9-	550	560	570	580	590	600	610
MMAEA	Steps	BA	+12	+18	+24	MA	+12	+24
84.85	0	14275	14582	14890	15197	15504	15812	16119
SCHEDULE	1	14745	15059	15371	15684	15996	16309	16621
DATE-----	2	15216	15535	15853	16170	16488	16806	17123
22586	3	15689	16012	16334	16657	16980	17302	17625
=====	4	16160	16488	16816	17144	17471	17799	18127
	5	16657	16990	17323	17656	17989	18322	18655
	6	17154	17511	17830	18168	18506	18844	19182
	7	17661	17994	18337	18680	19024	19367	19710
	8	18148	18496	18844	19193	19541	19889	20238
	9	18670	19024	19377	19730	20084	20437	20791
	10	19193	19551	19910	20268	20627	20985	21344
	11	19715	20079	20442	20806	21170	21534	21897
	12	20238	20606	20975	21344	21713	22082	22451
	13		21134	21508	21882	22256	22630	23004